

August 2, 2004

QUOTE OF THE WEEK

*"Still, if you will not fight for the right when you can easily win without bloodshed, if you will not fight when your victory will be sure and not so costly, you may come to the moment when you will have to fight with all the odds against you and only a precarious chance for survival. There may be a worse case. You may have to fight when there is no chance of victory, because it is better to perish than to live as slaves." --- Sir Winston Churchill (1870-1965) Prime Minister of England
Source: The Gathering Storm, bk. I ch.19 p.348 (Houghton Mifflin, 1948)*

UNDER THE DOME

Performance Review Due Tomorrow

Tomorrow the Governor's California Performance Review will be released. It will be a great read; I encourage you to view it at www.cpr.ca.gov. Do not judge it by the news stories. The critics and naysayers always drive out the supporters in a news story. I am eager to read the final recommendation for consolidating many state agencies, departments and functions. For example, for years now I have been pushing to combine the revenue-collecting functions of three departments and I was pleased to share my idea with the CPR staff. Bringing the Board of Equalization, the Franchise Tax Board and the Employment Development Department together would make life easier for taxpayers and enable the state to function more effectively. I believe it is also beneficial to taxpayers to have all their taxes overseen by an independently elected Board who are accountable to voters. If CPR is making such sweeping suggestions for all aspects of state governments, then we may be able make some real and meaningful changes in the years ahead.

Dutra Pushes HOT Idea

I want to give kudos to my friend, Assemblyman John Dutra (D-Fremont), for bucking the mindset of urban planners and other control-minded politicians by backing a highway demonstration project using high-occupancy toll-lanes (HOT) as an alternative to car-pool lanes on Interstate 680 from Pleasanton to Highway 237 in Santa Clara County. The bill is AB 2032 and is now in the Senate Appropriations Committee for consideration.

According to a story in the July 23 Political Pulse, some are already calling these "Lexus Lanes" to intimate that only the wealthy would support such an idea. However, the Department of Transportation did a survey of users of a similar project in San Diego County and found that the lowest income group supported the idea and the pricing even more than the highest income demographic did (80% vs. 70%).

I have long argued against car-pool lanes because they service a very small minority of commuters and thus exacerbate traffic problems. I am quite sure the inventors of car-pool lanes knew this, but the idea of using asphalt to control people into a lifestyle deemed more virtuous by them was an irresistible temptation. Alas, Californians are not as malleable as they thought. The vast majority of people are too busy and have too many places to go to make carpooling a viable option.

Clearly, the best way to reduce commuting times (and lower pollution from idling cars) is to implement a market-based mechanism that meets demand.

*****Taxpayers Win One*****

Though the recently approved state budget does not include tax increases, it also does not have a lot of good news for taxpayers in general. State spending is still up and true reform was scant. However, taxpayers can celebrate one big victory that was won for them last week with the leadership of Senator Rico Oller (R-Sacramento). Last year the Legislature adopted a law imposing a \$35 per-parcel fee to generate \$50 million to supplement the California of Forestry and Fire Prevention's budget. This year, Senator Oller introduced a bill to repeal that law, arguing that the charge was not a fee, but a tax. Everyone benefits from state fire protection services not just landowners. Although his bill was defeated, Oller was successful in getting the Schwarzenegger administration to champion this cause in budget negotiations and the prohibition on such parcel taxes was included in the budget approved last week. One small victory for taxpayer rights, thanks to Senator Oller.

AROUND THE STATE

*****Megawatts Memory*****

A figure last week caught my eye. On July 19 this year, California used 44,092 Megawatts of electricity, setting a new record. Our previous high-consumption date was in 1999 when we used 43,609 MW. July 19 may have been warm where you are, but it was not the hottest day since 1999. What this new record shows is a good-news-bad-news conundrum. The good news is that we are recovering from the economic downturn and as more people are employed they use more electricity at work. The bad news is that our state is still far too reliant on imported power. We must build more power plants in California quickly because the next electricity crisis is not far off.

ISSUE FOCUS

*****Citizenship Test 5*****

This week's section of the INS Citizenship exam requires would-be citizens to be able to explain the basic make-up of our federal government.

23. How many branches are there in our government?
24. What are the three branches of our government?
25. What is the legislative branch of our government?

BOE AND LEGISLATIVE DATES

August 2, 2004 --- Legislature reconvenes (They did not get a very long break, considering that they just passed the budget late last week.)

August 13, 2004 --- Last day for legislative fiscal committees to meet and report bills to the floor

August 16-31, 2004 --- Floor sessions only; no committee may meet for any purpose

August 24, 2004 --- BOE meets in Sacramento

August 31, 2004 --- Legislature recesses.

September 8, 2004--- BOE meets in Sacramento

NOTABLE DATES/ HISTORY

This week in August seems to be a hotbed of war activity: Vietnam, Korea, Kuwait...

August 2, 1776 --- Formal signing of the Declaration of Independence occurred.

August 2, 1873 --- First trial run of San Francisco cable car held on Clay Street between Kearny & Jones.

August 2, 1877 --- The San Francisco Public Library opened with 5,000 volumes.

August 2, 1909 --- The first Lincoln head pennies were minted.

August 2, 1990 --- Iraq invaded and occupied Kuwait.

August 3, 1882 --- Congress passed first law restricting immigration.

August 3, 1977 --- Radio Shack issued a press release introducing the TRS-80 computer 25 existed, and within weeks thousands were ordered.

August 3, 1981 --- Air Traffic Controllers (PATCO) began their strike.

August 5, 1775 --- The first Spanish ship, San Carlos, entered San Francisco Bay.

August 5, 1861 --- U.S. levied first income tax (3% of incomes over \$800).

August 5, 1964 --- U.S. began bombing North Vietnam.

August 5, 1981 --- President Reagan fired 11,500 air traffic controllers who struck two days earlier.

August 6, 1787 --- Constitutional Convention in Philadelphia began debate.

August 6, 1945 --- The “Enola Gay” dropped an atom bomb on Hiroshima.

August 7, 1498 --- Columbus arrived in Caribbean.

August 7, 1782 --- George Washington created the Order of the Purple Heart.

August 7, 1964 --- Congress approved the Gulf of Tonkin resolution.

August 8, 1890 --- Daughters of the American Revolution organized.

August 8, 1945 --- President Harry S Truman signed the U.N. Charter.

August 8, 1945 --- USSR established a communist government in North Korea.

August 8, 1953 --- U.S. and South Korea initialed a mutual security pact.

August 8, 1974 --- President Richard M. Nixon announced he would resign his office at noon on August 9, 1974.

GENERAL TAX INFORMATION

For answers to your general tax questions, call the Board of Equalization information center. Customer service representatives are available to help you from 8:00 a.m. to 5:00 p.m. Pacific time, Monday through Friday (except state holidays).

Toll-free number: 800-400-7115
TDD service for the hearing impaired
TDD phones: 800-735-2929
Voice phones: 800-735-2922

To reach the Taxpayer Rights Advocate’s office for assistance with any BOE issues, see <http://www.boe.ca.gov/tra/tra.htm>, or call toll-free 1-888-324-2798.

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